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RETIREE PLACEMENT SERVICES

1. There is no question as to the "zero" base from which this missile is being launched. The Retiree Placement Services (RPS) program entered its countdown phase in February 1965, with no funds, no official statement, formal or informal, as to its purpose in the scheme of Agency life, and no home.

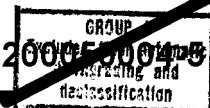
2. It was given a home in the Personnel Recruitment Division, which also supplied the personnel to staff it--by cutting recruitment strength to the bone; and it has been operating on the funds comprising the salaries of PRD personnel diverted to this activity, two GS-14 professionals, a GS-06 secretary, and a GS-05 typist. In addition, the Chief, Personnel Recruitment Division serves as Chief, Retiree Placement Services, and the combined activity is now known as Recruitment and Retiree Placement Division.

3. Therefore, the rationale by which we would justify the continuation of this activity is to be found in the paragraphs that follow.

4. This memorandum recommends, in effect, the official establishment of a preretirement counseling and placement assistance service to assist those Agency employees who may require or desire post-retirement employment.

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5. This service has been rendered informally in the past by the Employment Referral Branch (ERB), Recruitment and Retiree Placement Division (RRPD), when it was designated the Out Placement Branch (OPB), Personnel Operations Division (POD). OPB's assistance to retirees was but incidental to its primary function of assisting Agency resignees. Its assistance, to retirees per se, was unpublicized and traffic was light. Since the creation of OPB in 1958, the Agency had recognized, in its own best interests, a need to assist involuntary resignees, and, to a lesser extent, voluntary resignees in their search for new employment. These latter considerations took special cognizance not only of the security implications of disenchanted employees leaving the Agency but of the advisability of stimulating marginal employees to seek other employment. During Calendar 1964, ERB provided certain limited forms of assistance to 16 of the 103 employees who retired during the year under Civil Service regulations.

6. The special impetus to provide separate employment counseling and placement assistance to retirees was supplied by concern for the economic implications of the CIA Retirement Act as it was negotiating its legislative course.

7. As early as 1962, proposals were being made and discussed, particularly in the DDP, where there was definite recognition of

of a need for the Agency to assume an obligation to assist employees leaving the Agency as a result of retrenchment. Many employees affected by retrenchment measures then operative had entered federal service late in their careers and had not compiled enough service to qualify for retirement. One of these proposals would have formed a committee comprising an Agency representative, a State Department representative, and a representative from private industry to pass judgment on whether individual employees leaving because of retrenchment or retirement were worthy of special assistance.

3. Early in 1965, following the passage of the CIA Retirement Act of 1964, a positive proposal was put forward in Project Outline form by the DDP recommending the creation of an overtly-indentified Agency-owned corporation to engage specifically in counseling, testing, and professional placement. Emphasis in this proposal was upon the placement of first- and second-line managerial personnel of the DDP who chose to avail themselves of the early retirement advantages inherent in the Act.

9. A second proposal, issuing from the Office of the Director of Personnel, recommended an expansion of the existing Out Placement/POD to provide a centralized Agency-wide service to all levels of retirees under either the CIA or Civil Service retirement systems. The specific recommendation was made that the organizational management of this enlarged activity be elevated to the Office of the Director of Central Intelligence.

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10. In February 1965, it was determined that responsibility for the development of an all-Directorate, all-level retiree placement counseling service would be charged to the Director of Personnel. The latter delegated planning, policy recommendation, and management responsibility, at least for the initial phases of the program, to the Chief, Personnel Recruitment Division. With its nationwide Field Offices and staff of Field Recruiters, PRD was so organized as to be able quickly to develop information on the second-career manpower market and "to open doors" for our retirees in virtually every geographic location within the United States--or overseas, by calling on key officials of American businesses and industrial concerns engaged in foreign sales and distribution. To date, in certain occupational categories--notably teaching, writing, secretarial, and clerical--, openings are developing faster than we can supply retirees who may be looking to these fields for future employment.

11. For the past four or five years or so, it has been SOP to give employees retiring under Civil Service regulations five years advance notice of their official retirement date. These employees are made aware of the assistance the Agency may be able to give them in finding a second career only on the occasion of the discussion of their impending retirement with the Secretary of the Agency Retirement Board. Frequently, these discussions

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have not materialized until the year in which the individual is retiring--at age 60 or 62, as the case may be.

12. To provide RPS longer lead time, we ^{propose to} attach to the so-called "5-year letter" of notification (of the employee's enforced retirement date) a rider form reminding the employee of the availability of retiree placement counseling as an aid to planning and preparing for retirement.

13. It is assumed the reader is acquainted with the Agency's policy of mandatory Civil Service retirement at age 60 with 30 years service and at age 62 with 5 years service, and that this policy represents a radical modification of the Civil Service retirement system procedure. The latter permits Federal employees with CS status to work until age 70 before retirement becomes mandatory. (The fact is, however, that the average Civil Service retirement age has been, by the employee's option, 62.) The significant difference, in offering our Civil Service system retirees preretirement counseling and placement assistance, lies in the fact that the great majority of CIA employees in this age bracket have had relatively short periods of federal service and, therefore, have built up a considerably smaller annuity than have their counterparts at the same grade levels in other Federal departments and agencies.

14. The Agency's mandatory policy of "early retirement" for its Civil Service employees is generating an atmosphere in which

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the employee is made to understand the Agency's personnel management thesis that Intelligence is a profession in which younger minds and fresher skills are in greater demand than would be the case in other occupational areas of federal government.

15. By and large, this thesis is accepted at face value, and gracefully. In true financial hardship cases, the Agency Retirement Board functions to relieve the mandatory features of our "early" CS retirement system by granting extensions of service. The area in which RPS is most active is the "gray area"--the area between "true financial hardship" and a financial future which, while not portending true hardship, offers such a reduced standard of living that the victim is not content to contemplate it--which blankets in by far the greatest number of our retirees, fully 80%; and this situation could prevail for several years to come, until every new employee understands at the outset of his career the parameters of tenure, and plans accordingly.

16. Take the case of one GS-15 who at age 63 left the Agency's employ on 30 April 1965. His salary was at the \$19,980 level. His annuity is \$4,200. This case is not atypical. Obviously, this man is looking desperately for some means of retaining the better part of his standard of living, including keeping one son in Georgia Tech. This so-called "gray area" embraces the bulk

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of our CS retirees. A few, with longer periods of service and higher annuities, constitute a small "white area"; a few true financial hardship cases constitute the "black area."

17. In operating essentially in the gray area, RPS is helping retirees whose retirement planning was based on their earlier assumption that retirement would not be mandatory for them until they had reached age 70, or, optionally, until some self-selected year in their sixties.

18. In the case of the employee who has been identified as a member of the CIA Retirement System, we presently are restrained from conveying directly any advice as to the availability of our service. However, the "word" is rapidly circulating and, with the publication of the proposed Employee Notice and Employee Handbook, the existence of the Retiree Placement Service will be universally known. It is well enough known now to be causing many retirement eligibles to be seeking out RPS "clandestinely" for employment leads and advice that would let them screw up their courage and exercise their option to retire in the near future. For the most part, these are careerists who have identified themselves as having topped out. Several 50-year old women, suddenly become eligible for retirement under the CIA Retirement system, voluntarily are exercising their retirement option--possibly giving the lie to opportunities for professional advancement accorded women by this Agency. If this proves accurate,

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as our RPS interviews tend to indicate, management must think of RPS as a source of personnel management feedback as well as a source of assistance to the employees themselves.

19. The whole Executive and Legislative climate that is now friendly to Federal pay increases and increases in Civil Service retirement benefits forecasts expansion into further areas of assistance. Preretirement counseling, already practiced in amateur fashion by most old line agencies, should gain Congressional approbation as a fixed asset of sound personnel management. Senator Brewster has introduced a Bill (S.2199), referred to the Committee on Post Office and Civil Service, that would "provide certain services for Government employees in order to assist them in preparing for retirement."

20. It is not likely any old line agencies will find the need for any extensive new-employment out-placement assistance to their retirees so long as they are privileged to work, if necessary, until they reach mandatory retirement age of 70. In our Agency, however, where this privilege has been denied the employee, ex post facto, the need not only exists but recognition thereof commands the immediate favorable consideration of top management, in concrete form, effective Agency assistance. This would make the fact of assistance consistent with the facts of antecedence.

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21. In effect, an Agency-adopted action antithetical to the philosophy of Civil Service employment, which the Agency chooses to pattern in all other important respects, is directly responsible for a situation that is causing some 80% of CIA CS retirees to scream "Foul!"; if they insist the Agency has hit them below the belt, who is to say otherwise. The case has never gone to court.

22. The Agency Retirement Board rules on cases of financial hardship, but it cannot convince itself that no financial problem will pursue the retiree who is not made the object of ARB leniency. Take the case of Mr. Z for example, retiring in February 1966 at age 62, on an annuity of \$1,512. On \$125 per month, Mr. Z isn't going to cut any fancy standard-of-living didos. He hasn't been cutting too many, I daresay, on his topped-out gross salary of \$5,825, but he'll measurably miss the respectable difference. At that, he may be better off than Mr. A, alluded to earlier, whose \$19,880 income dropped to \$4,200 on 30 April.

23. As Retiree Placement Services "clients," neither Mr. A nor Mr. Z is having any luck at this point finding a second career, on his own or with our assistance. Our assistance, however, is something that looms large in the hopes of each, unless Mr. A, the 30 April retiree, has given up on us altogether by now.

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No doubt the Agency has turned these employees out to pasture too soon for their own fiscal good. Their particular talents are not proving readily marketable. In the strict sense of true financial hardship, neither is likely to come unglued before he can make his way to the nearest almshouse, but neither has either's Federal career ended on a very dignified and happy financial note.

24. One must keep the whole applecart in perspective, however, This Agency cannot live with the 60- and 62-year old employee who is blocking the progress of younger employees, to say nothing of the occasional 70-year old who could be content to stay on forever. Our tasks are not such that we can be leading from senility. It goes without saying that some people are "old" at 40 while others are "young" at 70. On balance, in making room for a steady flow of new young blood into the Agency, there has to be ^a conduit for siphoning off tired old blood. Both of our retirement systems and policies recognize this truism. What the Agency should recognize moreover is that a mechanism such as RPS will make the whole Agency body function more efficiently, to say nothing of humanely.

25. Retiree Placement Services does not have to be large, just effective. As we see it now, this program should be able to operate effectively on an annual budget of \$50,000.

26. By way of summarizing, the Retiree Placement Counseling Staff function, acquired in February 1965, along with the resignee out-placement function of POD/OPB, had a good workout in FY 1965, and was kept entirely separate from OPB (now ERB) procedures. Practically all Calendar 1965 Civil Service retirees were interviewed, counseled, and assisted in their seeking of second careers, to the extent that short lead-time permitted. Techniques, files, procedures, and leads were being developed from scratch, and, at year-end, the CIA Retirement System retirees were entering the pipeline.

27. Plans and objectives for the FY 1966 and FY 1967 program embrace hoped for improvement in all aspects of this activity, to which the time of 2 1/2 professional personnel is devoted. Our experience clearly has shown that this program is deserving of top management's most enlightened support. It may well contain the germ of the Agency's finest in-house employee relations service, considering the economic problems confronting many of the families and individuals involved. This program decisively demands longer lead-time for preparing prospective retirees for retirement, and this objective is being kept uppermost in mind. Placement successes in FY 1965 proved totally encouraging. We are "selling" a marketable article, provided the individual is flexible as to geographic relocation and has not grown as old in

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spirit as his age would imply. With the younger retirees under the CIA Retirement System, the second-career prospects are bright if not indeed enticing.

28. It is interesting to note, in a very tentative fashion, that many of the eligible early retirees who "clandestinely" are seeking RPCS advice at this stage are those who have identified themselves as having "topped out" in the Intelligence business. Business itself would view this dividend of an early retirement system as a very handsome capital gain. The RPCS program has this feature working for it--for the Agency--and it could generate considerable steam. There is a great deal to be said for the advantage of selectively seeking new employment from a base of existing employment as against a base of mandatory retirement which may imply that the individual's usefulness has been spent. Over and above this single facet of program developments, however, is the overriding challenge to the Agency to accord its employees, especially its older CS retirees, a full measure of organizational thanks and Godspeed. This is the sense of the message they are receiving now, through the offices of the Retiree Placement Services.

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